

AGENDA ITEM: 6 – UPDATED APPENDIX I

Budget Consultation Feedback

This appendix sets out the feedback from a range of budget consultation events occurring during January 2019. These include:

- Reports and presentations to Scrutiny Committees;
- Public Consultation on budget proposals via the Council's website; and
- Meeting with businesses, trade unions and other public bodies.

These comments will be considered by the Executive in recommending the budget for approval by County Council.

An update on the budget consultation feedback will be tabled / reported verbally at the meeting for feedback received after the deadline for this report.

Budget Comments from Scrutiny Committees

Adults and Community Wellbeing Scrutiny Committee – 16 January 2019

The Adults and Community Wellbeing Scrutiny Committee agreed to support the budget proposals for Adult Care and Community Wellbeing for the 2019/20 year.

The Committee focused on the funding for future years, in effect from 2020/21 onwards, as the Better Care Fund was due to cease in its current form at the end of 2019/20. Since 2016/17, the Council had received the following Better Care Fund support:

Expenditure	2016/17	2017/18	2018/19	2019/20
	£	£	£	£
Better Care Fund (BCF)	16,825,000	15,900,000	16,186,200	16,461,365
Improved BCF	-	2,105,730	14,249,038	25,770,902
Supplementary Improved BCF	-	15,265,596	9,608,578	4,110,611
2019/20 Winter Pressures	-	-	-	3,368,000
Total	16,825,000	33,271,326	40,043,816	49,710,879

It was confirmed to the Committee that there was an expected overall Council shortfall of funding of £46 million in 2020/21 and £55 million in 2021/22, based on existing assumptions. *(Please refer to note ¹ below)* Such shortfalls would clearly lead to a focus on the Council's discretionary services, although certain discretionary services could reduce demand on mandatory services.

¹ After the Committee's meeting, advice was received that work had begun to look at ways to meet the funding shortfall and it was expected that the Council's overall shortfall of £18.6 million initially identified for 2019/20 would reduce. The projected £55 million shortfall in 2021/22 was a worst case scenario, with the shortfall likely to be closer to £40 million for this year.

There was an expectation that an equivalent to the Better Care Fund would be put in place for the year 2020/21 and future years, but this has not been confirmed. The arrangements for the future funding of adult social care are dependent on the publication by the Government of its *Green Paper on Care and Support for Older People* and the subsequent implementation of any proposals. As a complication, on 7 January 2019 the NHS published its *Long Term Plan*, in which there is an emphasis on community services, integration between health and adult social care, and prevention.

The Adults and Community Wellbeing Scrutiny Committee plans to include the *Green Paper* and the *NHS Long Term Plan* in its future work programme, at the appropriate times. The Committee is also offering to support the Executive in any review of services or service changes within its remit in the coming year, as a result of national requirements, and any consequential impacts on the County Council's budget.

Children and Young People Scrutiny Committee – 18 January 2019

The Children and Young People Scrutiny Committee agreed to support the proposed council tax increase of 4.95% for the 2019/20 year. The Committee also agreed to support the proposed budget for 2019/20 for Children's Services, including the rationale for the cost pressures identified in two of the commissioning strategy areas:

- Learn and Achieve Commissioning Strategy (£306,000); and
- Children are Safe and Healthy Commissioning Strategy (£1.194 million)

The Committee also referred to impact of the Government's comprehensive spending review, and the Council's *Fairer Funding* campaign, the outcomes of which are currently unknown. Given these uncertainties, the Committee's support for the council tax increase, which was above the rate of inflation, was difficult, but the pressures on the Council, including Children's Services, were genuine. It was also acknowledged that the County Council would continue to rely on reserves for the coming years.

Environment and Economy Scrutiny Committee – 15 January 2019

The Environment and Economy Scrutiny Committee considered budget implications for the commissioning strategies 'Protecting & Sustaining the Environment', 'Sustaining and Growing Business and the Economy' and 'Economic Infrastructure and Regeneration'.

The Committee endorsed the overall proposed revenue and capital budget proposals for 2019/20 and the proposed 4.95% increase in Council Tax.

The Committee highlighted support for the proposed (£2.000m) capital investment for the development of Business Units to safeguard employment, and endorsed officers working up detailed proposals to measure demand and supply across the County.

The Committee highlighted three key areas of future concern within this area to the Executive.

- The need for the County Council to take a leadership role in ensuring the vitality and viability of local High Streets, due to the rapid changes within this area and the possible impact on the wider economy,
- The potential impact on grants and funding delays from exiting the European Union and;

- The importance of the skills agenda in getting more adults into learning that will enhance careers as an important way to increase productivity.

Highways and Transport Scrutiny Committee – 21 January 2019

The Highways and Transport Scrutiny Committee considered budget implications for the commissioning strategy 'Sustaining and Developing Prosperity Through Infrastructure'.

The Committee highlighted support for returning to two full cycles for weed spraying (£0.150m); reinstating three rounds of safety grass cutting (£0.300m) and returning to a full cycle of gully cleansing (£0.370m) as positive developments given the input of the Committee in these areas. The Committee also supported the funding for greater availability of additional Mobile Maintenance Teams (MMT's) to manage the peak in demand for pothole repairs over the autumn and winter period (£0.220m).

The Committee endorsed the proposed 2019/20 revenue and capital budget proposals for Highways and Transport; and the proposed 4.95% increase in Council Tax given the identified on-going budget pressures. The Committee also endorsed the proposed capital programme, as well as major schemes which stretch into future years.

Public Protection and Communities Scrutiny Committee – 22 January 2019

The Public Protection and Communities Scrutiny Committee considered the budget implications for the commissioning strategies Community Resilience & Assets, Protecting the Public and Sustaining & Heritage Services. The Committee endorsed the proposed 2019/20 revenue and capital budget and supported the funding of the known cost pressures identified within the proposals.

The Committee welcomed the proposals to re-instate a budget to support the core services of the Citizens Advice Bureaux (CAB) (£0.278m), after the service received support by use of reserves during the last two years.

The Committee acknowledged the limited options available to continue to effectively fund services going forward. The Committee supported the proposed 4.95% increase in Council Tax and welcomed comments from officers that Lincolnshire would remain in the lowest quartile for Council Tax in the Country.

Overview and Scrutiny Management Board – 31 January 2019

The Overview and Scrutiny Management Board considered the following two commissioning strategies which fall under its remit:

- How We Do Our Business
- Enablers and Support to the Council's Outcomes

The Board highlighted that across both commissioning strategies, the biggest budget was in relation to ICT Strategy and Support, which amounted to £15.648M. The Board requested a breakdown of this budget in a report to a future meeting.

In relation to the Capital Programme, concern was raised about the additional budget for 'Development of Cloud Navigator and support ICT innovation' and what exactly it would be

used for. The Board questioned the leap from £5M in 2019/20 to £9M in future years and what the justification was for such a large leap in one year.

The Board heard that the IMT Strategy had been delayed which made it difficult to ascertain the costs to fix and transform IT services, and as a result the additional budget was based on estimates.

The Board sought assurances on the accuracy of the figures in light of the £3m underspend in revenue budget in the current year. The Board was told that once the IMT Strategy was developed, the Board would receive further information on the breakdown of the figures. The Board heard that the IT Board was due to meet shortly and that the arrival of the new Executive Director for Commercial should help.

The Board was told that there would be detailed business cases brought forward once the IMT Strategy was in place, and these would be brought to the Board for scrutiny prior to any Executive decisions.

At the same meeting the Overview and Scrutiny Management Board also considered the Executive's Budget proposals as set out in the report to the Executive on 18 December 2018 and further updates to Members to take account of the following subsequent events:

- The decisions taken by the Executive on 18 December 2018.
- The Final Local Government Finance Settlement published 29 January 2019.
- Confirmation from District Councils of Council Taxbases.
- Confirmation from District Councils of Council Tax Collection Fund surpluses.
- Confirmation from District Councils of Business Rates Collection Fund surpluses.
- Confirmation from District Councils of Business Rates Section 31 grant funding.

The Board supported the Budget proposals put forward by the Executive for 2019/20.

The Board also supported the proposal to set up a Business Rate Volatility Reserve with the £6M received back from the Business Rates Collection Fund due to the surplus arising from monies set aside for appeals.

The Board acknowledged that due to the Final Local Government Finance Settlement not being published until 29 January 2019 and the deadline of 31 January 2019 for receiving information regarding Business Rates from District Councils it was difficult to receive all the information that affected the Budget in one report. The Board was assured that all the information would be presented to the Executive on 5 February 2019 and this would all be contained in one report to the Council at its meeting on 22 February 2019.

Concerns were raised about the impact on the Council's budget in future with the loss of the Better Care Fund after 2019/20 which would have a huge impact on Adult Social Care.

The Board questioned whether the proposed budget would have been different if the additional £19M income received since the 18th December Executive paper was prepared had been known to the Executive when it proposed the Budget in December 2018. The Board was assured by the Leader of the Council that the proposed budget would not have changed. The Leader of the Council highlighted that there were a number of uncertainties next year, including the loss of the Better Care Fund, and as a result the Council had to be

prudent this year. The Council was still using £5M of reserves to balance the Budget for 2019/20.

Public Consultation – Comments received from Members of the Public

- a) There has been one response from a member of the public via email, who generally commented that the level of service received from the Council did not reflect the amount of council tax paid. Specific examples of services which he felt ought to be improved were pothole repairs and the timing of road closures. A further comment was made about the increasing cost of road schemes and he suggested that the Council should work with the City Council to regenerate lower Lincoln High Street. He also questioned whether it would be more prudent to make savings sooner so as not to drain reserves.
- b) A letter has been received via email from the Chairman of a Parish meeting. This is replicated below in its entirety:

Treasury and Finance Strategy

Lincolnshire County Council

Newland

Lincoln LN1 1YL

Communications and Consultation

South Kesteven District Council

St Peter's Hill

Grantham

NG31 6PZ

2nd February 2019

Dear Lincolnshire County and South Kesteven District Councillors

As Chairman of Lenton with Keisby, Osgodby and Hanby Parish Meeting in deeply rural South Lincolnshire, I am writing in connection with the respective Council Tax proposals being sought from residents in the South Kesteven District. I would like to add that, for over 12 years, I have been Chairman of this widespread parish comprising just 68 properties in total and that I am passionate about all rural parishes and the recognition and consideration that should be afforded to them.

After a lengthy conversation with Deborah Wyles (SKDC) on 22nd January, when I voiced my concerns regarding yet another highly likely outcome of an increase in our 2019 Council Tax, I feel it is time to put my concerns into writing and ask that the position of rural parishes be considered in greater depth. Initially I was intending to confine this letter to SKDC alone, but in view of LCC's finance

Executive Meeting on 5th February, I feel it is appropriate to address both Councils. Currently, I believe that there is a 'value for money' disparity between the rural and urban communities and it is time to look very real considerations and fairness squarely in the eyes.

Before continuing with my concerns, I would like to make it clear that I understand the multi-layered way in which Lincolnshire residents' Council Tax is calculated. However, I must ask you to consider the other side of that particular coin, being the way residents are approached with regard to prospective charge increases, because in my opinion they are skewed. Currently, District, County, the Police and, to an extent, the Social Care proposals come to residents at different times and via different methods, if at all. For example, it is only by trawling the internet that I discovered that LCC is having its Finance Executive Meeting on 5th February, in order to decide on the 2019/20 Council Tax increase proposals. I have been unable to find the proposed increases on behalf of the Police, so there is currently *still* no clear picture being given to households. This is unfair. The SKDC Consultation Survey was only received on 22nd January, with a closing date of 3rd February. As a Parish Meeting, we have no Clerk; we just have a Chairman and Treasurer, so by emailing the request for views to the Clerk (Chairman), SKDC appears to devolve the responsibility for getting the survey information out to all residents to the parish. It may come as a surprise, but residents in rural parishes don't see each other frequently, so the notion that parish is in the best position to represent views is not accurate unless steps are taken specifically to ascertain them – and that takes a lot longer than 13 days! Please also note that we have no newspaper deliveries out here; the nearest shop is 4 miles away and we only have one 'public' building – our church! If the Consultation is promulgated in a local newspaper, that is not a guarantee that everyone is going to see it. By the same token, not everybody, especially with the GDPR concerns, wants their details to be on our parish database, so the only other way of either getting the Consultation to them or canvassing them myself so I can represent their views, if they are to stand any chance of having their say during the process, is to print and take flyers or hold an Extraordinary Meeting. A month is not unreasonable a period to request should be made available for views to be sought and returned, so the fact that I received only 13 days emphasises that there is little understanding of how rural communities operate.

Regarding Council Tax rises for 2019, it is only when savvy people weld themselves to their calculators and add the different proposed increases together that the real picture emerges and the *annual* 'hit' becomes clear. Whilst each element of our Council Tax responsibility has but one portion of the proverbial pot to consider, the very real situation for the end users is that it all comes out of one pot – our household accounts! For that reason, it is only fair that strenuous efforts should be made to bring *all* the notification dates of increasing, or proposed increases, into line; they should come – and very clearly, at that - to the end users at the same time. I request that this matter is afforded serious consideration and that all the

different elements undertake their consultation periods so that all the different proposals are put to residents at the same time.

Proposing another £5 p.a. on the SKDC element of Council Tax for a Band D property seems minute. However, add to that the 4.95% which is to be discussed by Lincoln County Council's Financial Executive on 5th February and the picture is very different indeed. If both are approved, that will mean on a Band E property such as my own, an increase of some £81pa – and that is without knowing the Police element! For the remaining parishioners that figure may be lower or, indeed, higher – but our parish issues remain the same for us all.

Since moving to this lovely part of Lincolnshire in 2005, and becoming Chairman just a year later, I have despaired at the nibbling away of services and the deterioration of the fabric of our community. For your consideration:

1. We have lost our mobile library
2. Our minimal bus services have been reduced to almost nothing
3. We are still, after 6 years of unrelenting communication with Openreach and OnLincolnshire, - yes, SIX! - fighting to be connected to basic high speed broadband
4. The state of our roads is, in parts, a continuing nightmare
5. We simply do not see any police presence here, not even a vehicle passing through (See my Note 5 below)
6. We have 8 street lights in the entire parish
7. Our ability to take responsibility for excess domestic and garden waste has been dramatically reduced with the reduction of the opening hours of our amenity tips from former 49 weekly hours in winter and 63 weekly hours in summer to just 28 hours

1. Loss of mobile library services: To be fair, this was a minimally used service, which is unusual because ours is a parish with a fairly high average age. In a time of economic priorities, we understood why our service was lost. Nonetheless, it still needs to be noted as a loss of service.

2. Bus services: We have never enjoyed the best services and, once again, those of us who drive and are retired remain unaffected. But we do have people, especially senior residents, who need transport and, whilst I appreciate that not every hamlet in a given parish can expect a transport service, and with low passenger usage being deemed to be uneconomic, I remain concerned that rural communities are being sidelined. Knowing that we are 'uneconomical', a word which creeps in now to all manner of service-related topics, translates into feelings of being unimportant, of being the first to be deleted from a sphere of consideration. We understand why we have minimal public transport, but it is nevertheless part of a much bigger picture and we feel that the reductions have gone too far.

3. Broadband: The broadband situation in this parish is nothing short of dire and unacceptable. We have been fighting this for a very long time and our collective feelings, which range from despair to fury, are palpable. 6 years on and we are still locked into battle with the wildly differing reports which come to us from BT/Openreach and OnLincolnshire. Reasons for delays change with each and every conversation, email or even presentation at parish meetings and this results in this parish feeling frustrated, angry, isolated, and despairing of the impression that the proverbial left and right hands do not know what the other is doing. Currently, the main hamlet of Lenton (28 properties) should have been connected by the end of 2018. We are now in February 2019 and there is still no upgrade – indeed, an email informing me of yet another delay has arrived whilst writing this very letter! We are also told that not all properties in Lenton will be now be connected as they are either ‘uneconomical’ (that word again) or have made their own arrangements! Hanby should be connected in 2019, but there is no sign of anything moving in that direction. The remaining hamlets of Keisby and Osgodby are unlikely to have any meaningful attempts to upgrade them and the latest proffering is ‘Still being looked at but no definite plans.’. On the basis of presentations by OnLincolnshire at parish meetings, we have almost given up hope for those parts of our parish, although I am personally avowed to not allow our outer reaches to be jettisoned out of convenience, especially when huge profits are being made by BT and it’s arm ‘Openreach’. Some residents in this parish are receiving less than 1Mbps, most receiving between 2.5 and 4Mbps. To be told that we are ‘remote’ is totally unacceptable. We are 9 miles from Grantham and it is 2019. We landed men on the moon in 1969 with less technology than exists in the most basic of mobile phones, so the argument that this parish is ‘remote’ is, frankly, ridiculous. This is all about money and profit and we are, at that table, ‘below the salt’!

Contrary to the oft-held view by city dwellers that rural locations, especially in places like agriculturally-based counties like Lincolnshire, are home to cornstalk-chewing yokels, the truth is that they are populated by a significant number of highly intelligent and highly qualified people working or running businesses from home, creating employment and contributing to the economy. Make no mistake, we have quite a few in this parish and they need to be supported. Some of our farmers have absolutely no choice but to submit certain completed forms to DEFRA online, so to do this they have had to resort to a variety of self-help schemes. The failure to upgrade ALL parts of this parish to a not-unreasonable 10Mbps, when other areas are able to receive 70-100Mbps or more, is manifestly unfair. Because of our situation, we then are then further disadvantaged by being excluded from the cheap deals which many telephone and broadband providers offer to those already in a more fortunate broadband position than our own – a proverbial ‘double whammy’. (Indeed, my husband and I were unceremoniously ‘dumped’ by a telephone/broadband company we had been with for 15 years, because we were, and I quote, ‘not economical’. No company would replicate our legacy boosts and we were left as broadband outcasts by a major company.) It is my personal view that all parishes

experiencing similar situations should band together in order to unite and become one louder voice. Without that, little parishes of 68 properties will continue to struggle to be accommodated.

- 4. Our roads:** Last year, after months nothing being done and the conditions becoming extremely serious, I was forced to write a 'death trap road' letter to Highways and copy it to our MP, our Ward Councillor, RoSPA and anyone else who I thought would be useful. The result of that was that I met with Martin Hill and our South Region Highways Manager, Rowan Smith, on a truly poisonous day, in order to personally show the horrendous potholes and road collapses in our parish. I do a lot of driving and, make no mistake, Keisby Road contained the worst collective dangerous holes over a 2-3 mile length that I had seen. I have always endeavoured to recognise the budgetary and staffing constraints faced by Highways and I stress that I have the utmost respect for the problems faced by this particular remit. It has to be something of a 'poisoned chalice!' But, in the end, local residents, who try to understand and genuinely exhibit tolerance, lose their patience. What they really care about is being able to go to the school, doctors, veterinarians or shops safely, without damaging their cars or, worse, themselves. There comes a point when always being at the bottom of the priority list is no longer tenable. I will continue to deal separately with this, but please understand the despair which this parish feels when roads which are crucial to us, in order to access the school and surgeries at Corby Glen, repeatedly become riddled with significant holes.

- 5. Police Presence:** Most residents in this parish cannot recall the last time a police car was seen in this parish although clearly there had to be responses to 4 burglaries we had in Lenton last year. The lack of even just *seeing* a police car and policeman/PCSO is unacceptable, as is being unable to contact our police stations at Bourne and Grantham, and only being able to contact our PCSO by an email request via the police station at Lincoln! It puts us into a very vulnerable position as ne'er-do-well's, who we suspect use the lake as a convenient place to assess movements, will also enjoy never seeing a police car! Whilst this is an area which is not within the SKDC or LCC remits, for us it is still another part of a whole for which we are being expected to pay. Yes, we have Neighbourhood Watch, but that is never the complete answer and it has its limitations in a parish with geography such as ours.

- 6. Street Lights:** We only have 8 in the entire parish. This is something of a 'Curate's Egg', because we accept that part of the attraction for most of us choosing voluntarily to live here is the fact that we do not have bright lights, that our night skies are largely unpolluted and that seeing the stars is something of a joy. However, I illustrate this simply to mention one 'service' which, being fairminded, we do currently receive, albeit on a very small scale. Nonetheless, I hardly think that it warrants such a large proposed increase to our Council Tax in 2019/20!

7. Council Amenity Tip: Until a few years ago, the Amenity Tips were extremely useful. Gardens in rural properties tend to be much larger than those in urban areas and responsible people had no problem in taking their garden waste to the tip of their choice. Most people have green bins – we ourselves have 4 but in summer we could use 8! The inability to dispose of excess garden waste encourages people to use the hedgerows, which is extremely bad practice. Previously, in the summer, people could come home from work and still have time to drive to the tips at Grantham, Bourne or Sleaford, which didn't close until 6pm, or take advantage of weekday opening times if work commitments permitted. The hours were then not only savaged to just 28 hours, but they were all crammed into Friday-Monday, meaning that the prospect of sitting in queues in order to get to the garden and extra domestic waste bins is nothing short of dreadful, especially in the summer. We are being asked to recycle domestic waste, but doing it responsibly means that we get huge amounts of packaging per fortnight. Excess rubbish which we would like to dispose of but cannot, owing to the restricted hours, removes our opportunities to dispose of excess waste responsibly. Fly tipping in rural areas like ours has escalated, but in spite of undertaking our self-help litter-picks, we are still vulnerable. Add to that the appalling design of the new tip at Bourne, which causes huge traffic jams when vehicles cannot exit owing to vehicles ahead waiting to slide into the unloading lane, those of us who care enough to be responsible are being disadvantaged. Storing excess waste in bags attracts rats and a failure to deal with them, when the types of milder baits available to the general public now often don't work, can result in householders then receiving a fine! If authorities want people to behave responsibly, they simply *must* ensure that the options for so doing are made so available that a temptation to be otherwise is diminished. I request that the opening hours of amenity tips be reviewed and increased.

In 2018, we were canvassed by SKDC with regard to our being willing to pay another £5 Council Tax (on a Band D property) in order to go toward an out-of-town shopping mall in Grantham and a multi-plex cinema. Most, if not all, parishioners who chose to respond were against paying this, partly because we were fighting on all fronts in respect of the issues numbered above, but also because we understand that those are profit-making schemes which should be paid for by those who are going to profit from them – ie, the store owners and whoever owns the cinema! Because the rural parishes collectively represent a smaller percentage than the urban areas, it was no surprise that our feelings were dismissed and we had our Council Tax (SKDC element) raised accordingly. Now we have this year's similar supposed survey – which we will almost certainly again 'lose'. It feels as if this is a tick-in-the-box exercise which will ensure that the correct protocols have been undertaken for a predictable outcome. Whether we are right or wrong is not the point; it is how we have come to feel which is important: a soft target.

I accept that a large number of people voluntarily choose to live in a rural area, including sparsely populated parishes such as our own, where we have

68 houses spread over 4 hamlets in the gently rolling Southern Uplands. Many of us weren't forced to live here, we chose to do so and, as an ex-RAF couple who managed to avoid 'RAF Lincolnshire' for our careers, but who found ourselves here at the end of our time with the Force, we have come to love it; it is wonderful. For those in a similar position, therefore, it is arguable that 'we pay our money and we make our choice.' That is not, however, a licence for us to be ridden rough-shod over or forever be the 'tail-end Charlie's' when we are receiving less and less for our Council Tax whilst our charges are annually increased. This is not equitable and I truly believe that, far from having an increase in our aforesaid tax rates, we should actually be having them *reduced!* An increase whilst receiving the same service is one thing, but to pay more and receive significantly less is quite another.

I have studied the list of proposed aims and projects for 2019, but they don't translate into anything for this little parish. Whilst we don't wish to become overrun with developments which would destroy the very rurality which is to our liking and is based on a history of farming, we also, for what we pay in Council Tax, should not be neglected whilst, in effect, we subsidise the urban areas. So, here I must ask one simple question:

In this rural parish, how exactly are the residents going to benefit in 2019 by our Council Taxes rising by an average of some £80?

I thank you for your forbearance in reading this letter and hope that you will take on board the representation I am making on behalf of this parish. It is not intended to be negative or destructive; it comes from a position of caring deeply about rural communities and, moreover, is intended to encourage councillors to think again about how rural parishes are viewed and assist us with more vigour in return for the taxes which we have no choice but to pay.

Josephine M Morris-Turner

Chairman

Lenton with Keisby, Osgodby and Hanby Parish Meeting

c) Social media:

(Selection of responses to the council budget on social media (twitter and facebook)):

- "Other parts of the country have pressed forward with unitary authority plans as an alternative to big hikes in council tax, with a view to removing duplication and having fewer highly paid executives, it seems this plan has disappeared in Lincolnshire? Why is that?"
- "If the main need for such a large increase in council tax is down to central government funding cuts, surely we should be seeing pretty much the same

percentage of increase across the whole country, but that doesn't seem to be the case."

- "What are you doing with the money your saving by cutting honest hard working people's services where's the money gone the government gave you to fix the roads why can't the head men at council take a pay cut to help still you'll just fob people off and want more council tax well listen to me working people are skint we have no more money to give you."
- "Contractors kier are charging double for materials plus adding 6% to the cost. If this was brought back in house they would save money and plug a hole in government funding cuts."
- (In response to traffic light refurbishment in Lincoln): "Waste of money as yesterday you said about government cutting council funding. (You're) still closing services that money will pay for. This council's got its priorities wrong."

Consultation Meeting with External Stakeholders Comments

A Budget Consultation meeting was held with external stakeholders on 25 January 2019.

The Leader of the Council, Councillor M J Hill OBE welcomed everyone to the meeting. Attendees were informed that this meeting was part of the normal consultation process which the authority undertook when setting its budget, and provided the opportunity for partners and other organisations to take part in the consultation. It was reported that the proposed budget was also examined by each of the County Council's scrutiny committees who would look in more detail at the budgets for individual service areas. Recommendations would then be made to the full Council at its meeting on 22 February 2019, where the budget would be formally approved.

David Forbes, County Finance Officer, gave a presentation on "Budget Consultation Meeting with Key Stakeholders, 25 January 2019", which was a consultation exercise led by the County Council to highlight the Council's current budget and financial outlook for public services over the coming year. The presentation highlighted the following main points:

- Adult Social Care was the biggest service area and had been the biggest pressure on the budget for the last decade. It included care for the elderly and people with physical disabilities. It was the biggest portion of the Council's budget. Children's Services was also becoming a significant budget pressure, but the government was starting to realise this. It was also noted that home to school transport was a large part of the Children's Services budget.
- A public consultation was undertaken in 2014 to determine the Council's priorities in terms of budget, and these priorities still remain in place at this time.
- The overall financial position of the authority in terms of income and expenditure was illustrated by a set of pie charts relating to the outturn position for the 2017/18 financial year. However, for 2018/19 the position was expected to remain broadly the same. The Council's budget was £936m, and it was noted that the revenue

support grant was reducing year on year. It was expected to be around £20m by next year. Council tax accounted for £264m and was becoming a bigger aspect of the funding base. The biggest source of other income was from Adult Social Care from those who made contributions to their residential/domiciliary care etc.

- In terms of gross expenditure, adult social care accounted for almost £245m in 2017/18, and in relation to the schools budget, this funding just passed through the council, and the spending of it was determined by the schools.
- In terms of employee expenses (this related mainly to staff salaries), this was approximately 25% of the total spend excluding school staff.
- In terms of national local authority over and under spends (from 2011 – 2018) data had been published in October 2018. It showed that for the first five years of the decade local authorities had been collectively underspending, but for the past two years have collectively overspent. The level of spending for Adult Care was highlighted which demonstrated that in the first three years there had been underspends, followed by three years of overspending, but recently it had moved back to an underspend and it was believed that this could be attributed to the introduction of the Better Care Fund. It was also highlighted that local authorities had also consistently over spent on children's services for the last decade.
- In relation to data relating to levels of reserves, all types of authority had been able to add to their earmarked reserves for the last few years. However county councils had been able to add very little to their reserves. District councils had been able to add substantially to their earmarked reserved and it was likely that this was due to the distribution of New Homes Bonus. In terms of unallocated reserves, it was highlighted that authorities had been able to add very little to these reserves and that county councils were the only authority type to have to draw down their reserves.
- It was highlighted that the Revenue Support Grant was reducing, but some good news was the Rural Service Delivery Grant had increased slightly from the previous year. This grant was to help authorities like Lincolnshire which were predominantly rural.
- In 2018 a two year budget was set by the Council. Therefore a provisional budget for the coming year had already been approved. This current exercise will just update that provisional budget. Year on year, a lot of work on making savings had been carried out and the Council had also been able to use its reserves to balance the budget over past years. If the Council were to do nothing (which it will not do) , it would probably be fine for another two years, but reserves were finite, and once they were gone, that was it. It was confirmed that there would be a significant budget exercise within the next 12 months.
- Recent trends showed that the revenue support grant had reduced from £211m in 2011/12 to £20m for 2019/20. It was unknown what would happen from 2020/21 onwards. There had been approximately £311m of savings since 2011/12 but cost pressures had exceeded this amount by around £35m. Historic budgets were prepared based on that position. It was reported that for 2018/19 the Council may be able to balance its budget without having to draw on any reserves.
- In terms of the Provisional Local Government Grant Settlement there were some minor differences from the original deal. The Rural Services Grant had come in at £1.3m more than originally expected and confirmation had been received that the threshold for a referendum on a core council tax increase had been increased to 3% from 2%. The County Council was also able to add another 2% to cover some of the costs of its responsibility for adult social care. Additional funding of £3.4m for adult care winter pressures would also be received as well as further £5.8m to use

at the council's discretion between adult care and children's services. It was noted this was the first time the authority had been allocated additional money which could be used for children's social care. It was also highlighted that almost £14m had been awarded for road infrastructure and maintenance in the current year.

- In terms of the revenue budget projections for 2019/20 it was reported that a lot had happened in the past few weeks that had changed the position for the predicted shortfall. It was now expected that the authority would only need to draw down £5m from reserves rather than £23m.
- The extra funding received by the Council included the £5.8m for adult and children's social care; additional Rural Services Grant; and a rebate from business rates. The County Council would also benefit from £2.7m from council tax collection fund surpluses. The council would be quite close to a balanced budget based on a 4.95% council tax increase.
- The authority was now benefitting from having carried out the savings initiatives over the past eight years.
- Unavoidable cost pressures included adult care due to its demography increasing every year and accounted for around half of the total adult care cost pressures (£7-8m). Children's care pressures grew between 5-8% every year nationally in relation to Children Looked After, Lincolnshire was at the lower end of this with around a 5% increase. In terms of pay inflation, the public sector was now able to increase pay each year, and for 2019/20 it was assumed that there would be a 2% increase.
- There would be no real impact on front line services from proposed savings. There would also be a growth in the tax base of £4-5m on last year which was higher than expected.
- It was reported that some savings had arisen from the Council being able to in source some of its services such as supported accommodation following the transformation of the fire houses into accommodation for young adults.
- The Council had two types of reserves, general reserves which were funding for emergencies or unforeseen events and should not be allocated to service provision. The other type of reserve was earmarked reserves, of which the Council currently held £177m. This reserve included money which either did not belong to the county council (e.g. schools) or was a grant or other contribution for a specific purpose. However, it should be noted that the Council did not have discretion on what this could be spent on. This money had to be used for the specific purpose it was allocated for, otherwise it needed to be returned to the provider (eg. central government). There was £51m in the financial volatility reserve which was able to assist in balancing the budget. In addition £37m was earmarked for specific purposes such as insurance claims, adverse weather, health and wellbeing and transformational projects.
- In terms of the capital programme, there were no major changes, and the ongoing commitment remained to the Lincoln Eastern Bypass and the Grantham Southern Relief Road. It was expected that the Lincoln Eastern Bypass would cost an extra £26m, mainly due to the Carillion failure, and an extra £20m would also be required for the Grantham Southern Relief Road. However, the council would be able to get some of this money back from developer contributions in the long term.
- There was a £7.5m capital contingency fund for council priorities and for which service areas were required to produce a business case.
- Lincolnshire has consistently been one of the lowest English council tax county councils in the country, and was likely to maintain this position.

- The County Council had lobbied the government extensively for fairer funding and it was expected that costs of delivering services in rural areas would be factored into future funding.
- Lincolnshire's funding was currently based on its 2013 population, which would be extremely out of date, so it was expected to be recalculated based on current population levels and may also start to take account of population projections which would both be positive for Lincolnshire.
- The council was planning future budgets based on pessimistic assumptions and would need to wait to see how things would go over the coming year.
- The minutes from this meeting would be fed into the Executive report.

During the course of discussion, the following points were noted:

- Concerns were raised regarding the recent change of timescales for repairing a pot hole on an unclassified road from 28 days to 90 days, and it was queried whether this was due to underfunding. It was acknowledged that the roads were underfunded, but that this was a national issue affecting authorities throughout the country. Local government had long argued that the amount of money it was given was not enough to keep pace with the maintenance required for the roads. Although Lincolnshire had been awarded an extra £13.7m which was needed, this was a one off payment. No council was spending enough on repairing its roads and were not repairing or replacing roads in sufficient time. The Highways Agency spent a lot more money proportionately maintaining the trunk road network than local authorities received for their roads.
- Lincolnshire had a programme to try and get all repairs done in a way that addressed the risk they posed. For example a pot hole on a major road would be repaired quicker than one on a farm track which did not get heavy traffic. Some of the additional money received would go towards repairing some of the more rural roads as well as the busier roads. It was also planned to carry out more surface dressing as this was a good way of protecting rural roads.
- It was reported that the Council's basic allowance for asset protection (roads) was around £25m, however, Lincolnshire was one of very few authorities to have a successful asset management programme and therefore were awarded an additional £5m. It was noted that officers had worked quickly to programme in the spending of the additional £13.7m.
- It was queried why the spend on adults and children's social care was so high, both nationally and locally. It was noted that that nationally there were some services which were ring fenced and protected. Also, schools were not part of the savings. Local government was not one of the services which had been protected at a national level. In terms of why the budgets were so high, it was noted that children were living longer with complex needs, as well as an increase in children with complex needs which was leading to some authorities over spending. It was also highlighted that various scandals around the country were raising the bar on what standards were acceptable. There had also been changes in relation to Special Guardianship Orders, and the Council now had to pay family members who took in children as if they were a foster carer.
- It was noted that Nottinghamshire had the highest level of council tax and it was queried how they were spending the extra money. It was noted that whilst a comment on how the money was spent could not be made, it was noted that Nottinghamshire seemed to be very traditional in how it did its business. One of the positives of having to make savings was that it challenged authorities to look at

ways of delivering its services more efficiently. For example, Lincolnshire did a lot of preventative work with families.

- It was commented that Lincolnshire seemed to be well managed.
- It was queried whether there was any progress on joint working with North East and North Lincolnshire. It was reported that North Lincolnshire was very interested in looking at what could be done together, for example in terms of waste collection/disposal. It was also noted that work was underway on a regional alliance working with Nottingham, Derby and Leicester.
- Some authorities were taking advantage of low borrowing rates to buy properties which would generate an income. It was reported that the Council had recently appointed a Commercial Director as was recognised that this was something which needed further investigation. However, the initial priority for the authority would be spending on its capital programme, and there was a long list of schemes that people would like to see happen in the county. There would also be a need to invest heavily in dealing with waste as the EfW was almost at capacity. Therefore, the Council was not actively seeking out these investments, but if anything appropriate came up, it would need to be in Lincolnshire.
- It was also noted that the Council invested in various properties through the Pension Fund. It was highlighted that the authority did have an indirect investment in the St Marks Shopping Centre in Lincoln, as part of the pension fund was invested with Standard Life who funded the original development.
- There was also a proposal for the Council to set up its own property company, and social housing was something which may be looked at as part of this.
- It was noted that CIPFA would be looking at whole area of local authority borrowing and looking to tighten up the rules as there were some smaller councils who had borrowed a lot of money.
- It was queried what policy there was for replenishing the council's reserves. It was reported that the Council was not in a position to do this at the moment as over the medium term the reserves will be used to balance the budget. A resilience index was due to be published which would set out this information, but this was in the process of being refined by CIPFA prior to publication in the public domain later this year. It would also provide league tables of the financial resilience of local authorities. It was believed that Lincolnshire's financial standing may well be satisfactory. Once it was known what the funding regime would be after 2020 it may be possible to look at starting to replenish the reserves.
- It was noted that Lincolnshire made savings very early in 2010, and there had been a debate about what the right level of reserves to hold was. There was a need to have a considerable level of reserves in the event of any unforeseen circumstances, also in the event of any opportunities for investment arising, for the example the recent work at Lincoln Castle.
- The government were consulting on how the funding formula may look in the future, and it was noted that there was a possibility that deprivation may also include rural deprivation.
- In terms of strategy for dealing with the reduction in funding, the council would continue to look at commissioning and how its contracts were managed, as well as looking for investment opportunities. It was currently not clear what the final deal would be from government, but Lincolnshire would like to see a clear plan, ideally another four year deal.
- It was queried whether it was thought that there would be any impacts on districts with the service level reductions, and it was reported that there shouldn't be with these budget proposals. There would be some planning and modelling during the

coming year to provide some variation on what may happen with funding in future years. All areas would be challenged on where they could make savings. No material new savings had been required for two years. One example of where savings could be made in future was through the advent of technology such as cloud technology which could help the authority reduce costs. Progress to improve the IT infrastructure was underway.

- The differences in costs of the different types of interaction between councils and the public had been highlighted in a national conference to local government.
- It was queried whether the recent work being undertaken by the LGA on funding for rural authorities meant that the Council would remain a member of the LGA. It was noted that Lincolnshire was under a rolling notice to leave, but this would be a decision that needed to be made soon, and a report would be taken to the Overview and Scrutiny Management Board.
- It was queried that in relation to Brexit, if the UK did leave as planned on 29 March 2019, then could a financial windfall to local government be expected. It was noted that there was a LGA working group doing what it could to lobby for money to go to local authorities. The LGA was being very clear that if there was any money coming back, then it needed to be spent by local councils.
- It had been agreed that £35m would be released by government for councils to carry out preparation work for leaving the EU and that it needed to be released immediately.

The comments made at today's meeting would be reported to the Executive at its meeting on 5 February 2019 and the final budget would be approved at the meeting of Full Council on 22 February 2019.

RESOLVED

That the points made at this meeting be submitted to the meeting of the Executive scheduled to be held on 5 February 2019.

Attendees

Name	Organisation
Councillor M J Hill OBE	Lincolnshire County Council
David Forbes	Lincolnshire County Council
Dave Simpson	Lincolnshire County Council
Michelle Grady	Lincolnshire County Council
Sue Maycock	Lincolnshire County Council
Councillor Mrs MJ Overton MBE	Lincolnshire County Council
Councillor T Smith	West Lindsey District Council
Jo Wright	Lincolnshire CCG's
Tracey Bircumshaw	West Lindsey District Council
Gillian Holder	Lincolnshire PCC
Steve Galjaard	Lincolnshire Co-op
Ken Rustidge	Lincolnshire National Education Union
Councillor R Cucksey	North Kesteven District Council
Councillor T Bridges	Lincolnshire County Council
Councillor R B Parker	Lincolnshire County Council
Sarah Loftus	Lincoln BIG
Rachel Wilson	Lincolnshire County Council

A response to the budget consultation was received from a representative of The Woodland Trust, who was unable to attend the meeting. This is set out below:

Paragraph 1.106 on Environment and Economy contains some commitments to spending on highway projects. Woodland Trust is not opposed to these in principle but we would like to see a small portion of the available funding used to enhance and improve the natural environment alongside the new roads. In particular, we would like to see tree planting and woodland creation along the route of the new road, to help combat air pollution and absorb CO2 emissions, as well as providing a barrier to traffic noise for nearby residents. We would be very interested in working with the County Council and its contractors to enable this to happen. We recently had a very positive initial discussion with your cabinet member for transport about the proposed Grantham Southern Relief Road and we hope to have further conversations with him about that and possibly other highway projects in the County.

In paragraph 1.71 we note that you are intending to increase the frequency of grass cutting and to use more herbicide on grass verges to control weeds. We would urge you to consider, in appropriate locations, other methods of managing grass verges, particularly the larger ones. In particular, we would like you to consider creation of small areas of woodland, perhaps as a shelterbelt along some of the grass verges. Research that we have published shows that creation of woodland on areas of intensively mown grass can deliver a range of environmental benefits but also significantly reduce the management costs of such areas. A summary of the research can be found in our Trees or Turf report at <https://www.woodlandtrust.org.uk/publications/search/?Query=trees+or+turf&sortby=date&count=12> and we would be happy to discuss it further with council officers on request.

Nick Sandford

Regional External Affairs Officer

The Woodland Trust